



**NOTICE AND CALL OF A SPECIAL MEETING OF
THE ORANGE COUNTY FIRE AUTHORITY
HUMAN RESOURCES COMMITTEE**

A Special Meeting of the
Orange County Fire Authority Human Resources Committee
has been scheduled for May 3, 2016
at 12:00 p.m.

The meeting will be held at:
Orange County Fire Authority
Regional Fire Operations & Training Center
Classroom 1
1 Fire Authority Road
Irvine, CA

The business to be transacted at the meeting will be
as shown on the attached Agenda.

Opportunity will be provided for members of the public to address the
Orange County Fire Authority Human Resources Committee
regarding any item of business as described on the Agenda.

David John Shawver, Chair



ORANGE COUNTY FIRE AUTHORITY AGENDA

Human Resources Committee Special Meeting

Tuesday, May 3, 2016

12:00 noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Dave Shawver, Chair

Noel Hatch, Vice Chair

Gene Hernandez Al Murray Phil Tsunoda

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Human Resources Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>

If you wish to speak before the Human Resources Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority. Speaker Forms are available on the counter noted in the meeting room.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Murray

ROLL CALL

PUBLIC COMMENTS

Any member of the public may address the Committee on items within the Committee's subject matter jurisdiction but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Committee as a whole, and do not engage in dialogue with individual Committee Members, Authority staff, or members of the audience.

1. PRESENTATIONS

No items

2. MINUTES**A. Minutes from the April 5, 2016, Human Resources Committee Regular Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR**A. Award of RFP #JA2059 for Pre-employment and Internal Affairs Investigative Services**

Submitted by: Brian Young, Assistant Chief/Organizational Planning Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of May 26, 2016, with the Human Resources Committee's recommendation that the Executive Committee:

1. Approve an agreement with RCS Investigations and Consulting for Pre-employment Background Investigations in an amount not to exceed \$100,000 annually.
2. Approve an agreement with AVan Dermiden Maddux Investigations Law Firm for Internal Affairs Investigative Services in an amount not to exceed \$50,000 annually.
3. Approve an agreement with Sintra Group for both Pre-employment Background Investigations and Internal Affairs Investigative Services in an amount not to exceed \$150,000 annually (\$100,000 for Pre-employment and \$50,000 for Internal Affairs Services).
4. Approve and authorize the Purchasing Manager to redistribute or adjust the \$300,000 between the three contracts as requested by the department so long as the aggregate amount does not exceed \$300,000 annually and to approve two additional renewal options based on need and contract performance.

4. DISCUSSION CALENDAR**A. EthicsPoint Hotline – Anonymous Reporting Capability**

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

B. Coverage of Volunteers under the OCFA Self-Insured Workers' Compensation Program

Submitted by: Brian Young, Assistant Chief/Organizational Planning Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Director's meeting of May 26, 2016, with the Human Resources Committee's recommendation that the Board:

1. Rescind Resolution No. 2012-08 in its entirety.
2. Adopt the proposed Resolution entitled: A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE INCLUSION OF VOLUNTEERS WITHIN ITS WORKERS' COMPENSATION INSURANCE PROGRAM to provide workers' compensation coverage to volunteers under the OCFA's self-insured and excess workers' compensation program.

COMMENTS

INTERIM HUMAN RESOURCES DIRECTOR'S COMMENTS

LEGAL COUNSEL'S COMMENTS

COMMITTEE MEMBER COMMENTS

CLOSED SESSION

CS1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation
(23 cases)

CLOSED SESSION REPORT

ADJOURNMENT – The next special meeting of the Human Resources Committee is scheduled for Tuesday, June 7, 2016, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 28th day of April 2016.

Sherry A.F. Wentz, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Budget and Finance Committee Meeting	Wednesday, May 11, 2016, 12:00 noon
Claims Settlement Committee Meeting	Thursday, May 26, 2016, 5:00 p.m.
Executive Committee Meeting	Thursday, May 26, 2016, 5:30 p.m.
Board of Directors Meeting	Thursday, May 26, 2016, 6:00 p.m.

MINUTES

ORANGE COUNTY FIRE AUTHORITY

Human Resources Committee Regular Meeting
Tuesday, April 5, 2016
12:00 PM

Regional Fire Operations and Training Center
Room AE117
1 Fire Authority Road
Irvine, CA 92602

CALL TO ORDER

The regular meeting of the Orange County Fire Authority Human Resources Committee was called to order on April 5, 2016, at 12:02 p.m. by Chair Shawver.

PLEDGE OF ALLEGIANCE

Vice Chair Hatch led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Noel Hatch, Laguna Woods
Gene Hernandez, Yorba Linda
Al Murray, Tustin
David Shawver, Stanton
Phil Tsunoda, Aliso Viejo

Absent: None

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Smith
Assistant Chief Lori Zeller
Legal Counsel Barbara Raileanu

Assistant Chief Michael Schroeder
Assistant Chief Dave Thomas
Communications Director Sandy Cooney
Clerk of the Authority Sherry Wentz

PUBLIC COMMENTS

Chair Shawver opening the Public Comments portion of the meeting. Hearing no response, Chair Shawver closed the Public Comments portion of the meeting.

1. PRESENTATIONS

A. Structure of the Human Resources Department and Communications (F: 17.10J)

Fire Chief Jeff Bowman provided an update on the Human Resources structure and introduced Employee Relations Manager Brigette Gibb who provided an update on the 2016 Human Resources projects.

Director Tsunoda arrived at this point (12:24 p.m.)

On motion of Director Hernandez and second by Vice Chair Hatch, the Committee voted unanimously by those present to receive and file the report.

2. MINUTES

A. Minutes from the January 5, 2016, Regular Human Resources Committee Meeting (F:12.02D2)

On motion of Director Hernandez and second by Director Murray, the Committee voted by those present to approve the Minutes from the January 5, 2016, regular meeting as submitted.

Director Tsunoda was recorded as an abstention due to his absence from the meeting.

3. CONSENT CALENDAR

A. Annual Fraud Hotline Report (F: 18.10H)

Vice Chair Hatch pulled this item to request data from the previous year.

Director Hernandez requested that the concept of the anonymous hotline be discussed at the next meeting of the Human Resources Committee.

On motion of Vice Chair Hatch and second by Director Murray, the Committee voted by those present to receive and file the report. Vice Chair Hernandez abstained.

4. DISCUSSION CALENDAR

A. Professional Standards Unit Progress Report (F: 17.27)

Fire Chief Jeff Bowman introduced Employee Relations Manager Brigette Gibb who provided an update on the Professional Standards Unit Progress.

On motion of Vice Chair Hatch and second by Director Murray, the Committee voted unanimously by those present to receive and file the report.

Minutes

OCFA Human Resources Committee Regular Meeting
April 5, 2016 Page 2

B. Professional Labor Negotiation Services (F: 17.10J1)

Assistant Chief Lori Zeller provided a report on the Professional Labor Negotiation Services.

On motion of Director Murray and second by Chair Shawver, the Committee voted unanimously by those present to place the item on the agenda for the Executive Committee meeting of April 28, 2016, with the Human Resources Committee's recommendation that the Executive Committee extend the existing contract with Liebert Cassidy Whitmore for one additional year (July 1, 2016, to June 30, 2017), at an annual amount of \$100,000.

C. Paid Administrative Leave (F: 17.02)

Employee Relations Manager Brigette Gibb provided a report on Paid Administrative Leave.

On motion of Director Murray and second by Director Hernandez, the Committee voted unanimously to direct staff to amend the Personnel and Salary Resolution to reflect the Fire Chief having the authority to place an employee on Paid Administrative Leave, being further reviewed by the Human Resources Committee, and submitted to the Board of Directors for evaluation.

D. Processing Complaints Against the Fire Chief (F: 11.10P) (X: 17.10A & 18.10H)

Legal Counsel Barbara Raileanu provided a report on Processing Complaints Against the Fire Chief.

On motion of Director Hernandez and second by Vice Chair Hatch, the Committee voted unanimously to direct Legal Counsel to amend the policy regarding the reviewing body from the Human Resources Committee to an Ad Hoc Committee comprised of the Board of Director's Chair, Vice Chair, and Human Resources Committee Chair and return the policy back to the Human Resources Committee for its review.

E. Discuss the Frequency of Human Resources Committee Meetings (F: 12.02D)

Chair Shawver provided an overview on the frequency of Human Resources Committee Meetings.

On motion of Director Hernandez and second by Vice Chair Hatch, the Committee voted unanimously to continue regular quarterly meetings and in the interim schedule two special meetings for May and June.

INTERIM HUMAN RESOURCES DIRECTOR'S REPORT (F: 12.02D6)

Interim Human Resources Director Brian Young was not present.

LEGAL COUNSEL'S COMMENTS (F: 12.02D7)

Legal Counsel Barbara Raileanu had no report.

COMMITTEE MEMBER COMMENTS (F: 12.02D4)

Chair Shawver commended Assistant Chief Lori Smith and her staff for the information regarding the protocol on research and inspections of local schools.

CLOSED SESSION (F: 12.02D5)

Chair Shawver reported the Committee would be convening to Closed Session to consider the matter on the Agenda identified as CS1, Conference with Legal Counsel-Anticipated Litigation.

Chair Shawver recessed the meeting to Closed Session at 1:31 p.m.

CS1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Authority: Government Code Section 54956.9(b) – Significant Exposure to Litigation
(30 cases)

Chair Shawver reconvened the meeting at 1:48 p.m.

CLOSED SESSION REPORT (F: 12.02D5)

Legal Counsel Barbara Raileanu indicated the Committee had taken no reportable actions.

ADJOURNMENT - Chair Shawver adjourned the meeting at 1:49 p.m. The next special meeting of the Human Resources Committee is scheduled for Tuesday, May 3, 2016, at 12:00 noon.

Sherry A.F. Wentz, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
May 3, 2016

Agenda Item No. 3A
Consent Calendar

**Award of RFP #JA2059 for Pre-employment
and Internal Affairs Investigative Services**

Contact(s) for Further Information

Brian Young, Assistant Chief brianyoung@ocfa.org 714.573.6014
Organizational Planning Department

Brigette Gibb, Employee Relations Mgr. brigettegibb@ocfa.org 714.573.6353
Human Resources Department

Summary

This agenda item is submitted to recommend approval of four contract awards for pre-employment background investigative services (two contracts) and internal affairs investigative services (two contracts), to the three top ranked firms in the Request For Proposal (RFP) process.

Prior Board/Committee Action(s)

On October 15, 2015, Executive Committee approved an extension and increase of \$50,000 to the blanket order with Internal Affairs Connections, Inc. for background investigation services to cover costs while the RFP process was being completed.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of May 26, 2016, with the Human Resources Committee's recommendation that the Executive Committee:

1. Approve an agreement with RCS Investigations and Consulting for Pre-employment Background Investigations in an amount not to exceed \$100,000 annually.
2. Approve an agreement with AVan Dermyden Maddux Investigations Law Firm for Internal Affairs Investigative Services in an amount not to exceed \$50,000 annually.
3. Approve an agreement with Sintra Group for both Pre-employment Background Investigations and Internal Affairs Investigative Services in an amount not to exceed \$150,000 annually (\$100,000 for Pre-employment and \$50,000 for Internal Affairs Services).
4. Approve and authorize the Purchasing Manager to redistribute or adjust the \$300,000 between the three contracts as requested by the department so long as the aggregate amount does not exceed \$300,000 annually and to approve two additional renewal options based on need and contract performance.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2016/17 budget.

Background

The Human Resources (HR) department is responsible for conducting pre-employment background checks in order to verify that the information provided by an applicant is accurate

and truthful, confirm skills and qualifications, identify deficiencies, and protect the Authority from future claims of negligent hiring. A thorough background check may include a criminal history, driving record, verification of education and certificates, and thorough reference checking. On occasion, a candidate is eliminated from the selection process during the background phase. Historically, it has been efficient and effective for HR staff to conduct the basic background checks required for most Authority classifications and for external investigators to conduct the more extensive background checks required for sworn and executive classifications.

In addition, HR works with managers and supervisors to investigate personnel matters, such as employee misconduct. At times it is desirable to have an external investigator conduct the investigation in order to ensure impartiality when the allegations involve misconduct associated with potential liability, such as harassment, discrimination, retaliation, criminal activity, or high-level employees. Additionally, highly complex or involved investigations may be delegated to an external investigator, due to a lack of sufficient internal resources. Having a panel of external investigators will enhance the ability of the Professional Standards Unit (PSU) to conduct investigations in a thorough, objective, and timely manner.

RFP Preparation

On October 15, 2015, RFP #JA2059 was issued seeking proposals from qualified firms with experience performing comprehensive pre-employment background investigative services and/or independent internal affairs investigations. A non-mandatory pre-proposal meeting was held on October 29, 2015, and representatives from six firms attended. Final proposals were due on November 19, 2015, and eleven proposals were received.

Evaluation Team

An evaluation team consisting of staff members from HR, Training and Safety Services, and the Emergency Command Center reviewed the proposals. Each proposal was evaluated based on the following weighted criteria as defined in the RFP: statement of qualifications (40%), written technical approach (30%), and proposed costs (30%). Proposals were evaluated based on the type of investigative service offered.

Pre-employment Background Investigative Services

Nine proposals were evaluated for pre-employment background investigative services. The top four ranking firms were invited to participate in interviews with the evaluation team. After the interviews and final scoring, the top two ranking firms were RCS Investigations and Consulting and Sintra Group.

Internal Affairs Investigative Services

Eleven proposals were evaluated for internal affairs investigative services. The top four ranking firms were invited to participate in interviews with the evaluation team. After the interviews and final scoring, the top two ranking firms were Van Dermyden Maddux Investigations Law Firm and Sintra Group.

Award Recommendation

After the final scoring, it was determined that establishing multiple contracts with the two top ranking firms for each investigative service type would provide the best option for OCFA. This will provide the department with flexibility to utilize the firm with immediate resources to perform the requested services. Pursuant to the terms of the RFP, staff requested a best and final offer from each of the finalists.

Based upon the evaluation and best and final results, staff is recommending that a total of four contracts be awarded to three firms; two for pre-employment background investigation services and two for internal affairs investigative services as follows: RCS Investigations and Consulting (*Pre-employment Background*) in an amount not to exceed \$100,000 annually, Van Dermyden Maddux Investigations Law Firm (*Internal Affairs Investigative Services*) in an amount not to exceed \$50,000 annually, and Sintra Group (*for both Pre-employment & Internal Affairs Investigative Services*) in an amount not to exceed \$150,000 annually (\$100,000 for pre-employment and \$50,000 for internal affairs services).

In addition, staff recommends the authorization of the Purchasing Manager to redistribute or adjust the \$300,000 between the three contracts as requested by the department, so long as the aggregate amount does not exceed \$300,000 annually, and to approve two additional renewal options based on need and contract performance.

Attachment(s)

1. Summary of Proposals/Evaluation Results for Pre-employment Background Investigations
2. Summary of Proposals/Evaluation Results for Internal Affairs Investigations

ORANGE COUNTY FIRE AUTHORITY
JA2059 – Investigative Services
Summary of Proposals and Evaluation Results for
Pre-employment Background Investigative Services

Nine proposals were received and evaluated for Pre-employment Background Investigative Services. After the initial proposal evaluations were completed, the top four vendors were invited to participate in interviews for Pre-employment Background Investigative Services. The five vendors who were not invited to participate in interviews are listed below, and the four vendors that were invited for interviews are shown on the next page.

Vendor	Norman A. Traub Associates			Wildan Homeland Solutions			Morris PI Group		
Total Estimated Annual Cost	\$177,950.00			\$154,150.00			\$162,000.00		
Basic Background Check	\$2,950.00			\$1,250.00			\$1,800.00		
Safety Background Check	\$1,600.00			\$1,450.00			\$1,500.00		
CA POST Background Check	\$1,600.00			\$1,450.00			\$1,200.00		
Evaluator #	1	2	3	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	19	15	15	20	15	15	19	17	20
B. Written Technical Approach (Max 30)	15	10	15	26	15	15	22	15	20
C. Proposed Costs (Max 30)	18	18	18	21	21	21	20	20	20
Sum of Proposal Scores	52	43	48	67	51	51	61	52	60
Proposal Rankings	9	9	9	6	8	8	8	7	7
Total Sum of Ranking	27			22			22		

Vendor	Yarbrough Veritas			Hall Investigations		
Total Estimated Annual Cost	\$126,400.00			\$107,800.00		
Basic Background Check	\$800.00			\$1,000.00		
Safety Background Check	\$1,200.00			\$1,000.00		
CA POST Background Check	\$1,200.00			\$1,400.00		
Evaluator #	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	20	17	20	18	17	20
B. Written Technical Approach (Max 30)	20	15	20	22	22	20
C. Proposed Costs (Max 30)	26	26	26	30	30	30
Sum of Proposal Scores	66	58	66	70	69	70
Proposal Rankings	7	6	6	5	5	5
Total Sum of Ranking	19			15		

* Basic Background Check (*Executive Management, Administrative Managers, other*)

* Safety Background Check (*Firefighters, Firefighter Trainees, Hand Crew Firefighter, Fire Comm. Dispatcher*)

* CA POST Background Check (*Arson Investigator/Peace Officer*)

ORANGE COUNTY FIRE AUTHORITY
JA2059 – Investigative Services
Summary of Proposals and Evaluation Results for
Pre-employment Background Investigative Services

After the initial proposal evaluations were completed, the top four vendors were invited to participate in interviews for Pre-employment Background Investigative Services. The following scores reflect the final scoring after interviews.

Vendor	Internal Affairs Connections			Summit Security Services		
Total Estimated Annual Cost	\$131,400.00			\$114,100.00		
Basic Background Check	\$1,800.00			\$220.00		
Safety Background Check	\$1,200.00			\$1,100.00		
CA POST Background Check	\$1,200.00			\$1,500.00		
Evaluator #	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	26	30	30	32	32	32
B. Written Technical Approach (Max 30)	22	23	25	23	23	23
C. Proposed Costs (Max 30)	25	25	25	28	28	28
D. Interview (Max 30)	15	15	20	20	15	20
Sum of Proposal Scores	88	93	100	103	98	103
Proposal Rankings	4	4	4	3	3	3
Total Sum of Ranking	12			9		

Best and Final Offers were requested from RCS Investigations and Sintra Group. The highest ranking firms after interviews.

Vendor	RCS Investigations			Sintra Group		
Total Estimated Annual Cost	\$165,600.00			\$173,750.00		
Basic Background Check	\$1,500.00			\$5,000.00		
Safety Background Check	\$1,550.00			\$1,450.00		
CA POST Background Check	\$1,550.00			\$1,875.00		
Evaluator #	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	36	38	36	38	38	38
B. Written Technical Approach (Max 30)	25	26	26	28	28	28
C. Proposed Costs (Max 30)	20	20	20	19	19	19
D. Interview (Max 30)	30	30	30	25	25	25
Sum of Proposal Scores	111	114	112	110	110	110
Proposal Rankings	1	1	1	2	2	2
Total Sum of Ranking	3			6		

* Basic Background Check (*Executive Management, Administrative Managers, other*)

* Safety Background Check (*Firefighters, Firefighter Trainees, Hand Crew Firefighter, Fire Comm. Dispatcher*)

* CA POST Background Check (*Arson Investigator/Peace Officer*)

ORANGE COUNTY FIRE AUTHORITY
JA2059 – Investigative Services
Summary of Proposals and Evaluation Results for
Internal Affairs Investigative Services

Eleven proposals were received and evaluated for Internal Affairs Investigative Services. After the initial proposal evaluations were completed, the top four vendors were invited to participate in interviews for Internal Affairs Investigative Services. The seven vendors who were not invited to participate in interviews are listed below, and the four vendors that were invited for interviews are shown on the next page.

Vendor	BA Investigations			Norman A. Traub Associates			Morris PI Group		
Total Estimated Annual Cost	\$32,500.00			\$37,500.00			\$22,500.00		
Hourly Rate	\$130.00			\$150.00			\$90.00		
Evaluator #	1	2	3	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	11	12	15	19	12	15	19	17	15
B. Written Technical Approach (Max 30)	6	13	12	14	10	15	12	10	15
C. Proposed Costs (Max 30)	12	12	12	10	10	10	17	17	17
Sum of Proposal Scores	29	37	39	43	32	40	48	44	47
Proposal Rankings	11	10	11	10	11	10	9	8	9
Total Sum of Ranking	32			31			26		

Vendor	Internal Affairs Connections			Hall Investigations			Wildan Homeland Solutions		
Total Estimated Annual Cost	\$25,000.00			\$20,000.00			\$28,750.00		
Hourly Rate	\$100.00			\$80.00			\$115.00		
Evaluator #	1	2	3	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	26	17	20	18	17	15	28	20	25
B. Written Technical Approach (Max 30)	9	15	15	14	17	15	17	15	15
C. Proposed Costs (Max 30)	15	15	15	19	19	19	13	13	13
Sum of Proposal Scores	50	47	50	51	53	49	58	48	53
Proposal Rankings	8	7	7	7	4	8	6	6	6
Total Sum of Ranking	22			19			18		

Vendor	Yarbrough Veritas		
Total Estimated Annual Cost	\$12,500.00		
Hourly Rate	\$50.00		
Evaluator #	1	2	3
A. Statement of Qualifications (Max 40)	15	7	15
B. Written Technical Approach (Max 30)	15	5	15
C. Proposed Costs (Max 30)	30	30	30
Sum of Proposal Scores	60	42	60
Proposal Rankings	4	9	4
Total Sum of Ranking	17		

ORANGE COUNTY FIRE AUTHORITY
JA2059 – Investigative Services
Summary of Proposals and Evaluation Results for
Internal Affairs Investigative Services

After the initial proposal evaluations were completed, the top four vendors were invited to participate in interviews for Internal Affairs Investigative Services. The following scores reflect the final scoring after interviews.

Vendor	RCS Investigations			Summit Security Services		
Total Estimated Annual Cost	\$30,000.00			\$23,750.00		
Hourly Rate	\$120.00			\$95.00		
Evaluator #	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	34	27	30	40	40	40
B. Written Technical Approach (Max 30)	12	10	15	30	30	30
C. Proposed Costs (Max 30)	13	13	13	16	16	16
D. Interview (Max 30)	15	15	15	10	10	10
Sum of Proposal Scores	74	65	73	96	96	96
Proposal Rankings	4	4	4	3	3	3
Total Sum of Ranking	12			9		

Best and Final Offers were requested from Van Dermynen Maddux and Sintra. The highest ranking firms after interviews.

Vendor	Van Dermynen Maddux			Sintra Group		
Total Estimated Annual Cost	\$73,750.00			\$30,000.00		
Hourly Rate	\$295.00			\$120.00		
Evaluator #	1	2	3	1	2	3
A. Statement of Qualifications (Max 40)	40	35	40	40	40	40
B. Written Technical Approach (Max 30)	28	30	30	27	30	30
C. Proposed Costs (Max 30)	5	5	5	13	13	13
D. Interview (Max 30)	30	30	30	25	25	27
Sum of Proposal Scores	103	100	105	105	108	110
Proposal Rankings	2	2	2	1	1	1
Total Sum of Ranking	6			3		



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
May 3, 2016

Agenda Item No. 4A
Discussion Calendar

EthicsPoint Hotline – Anonymous Reporting Capability

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Brian Young, Assistant Chief Organizational Planning	brianyoung@ocfa.org	714.573.6014

Summary

This agenda item is submitted to provide the history behind OCFA's formation of an Internal Complaint Reporting Hotline which includes an anonymous reporting capability.

Prior Board/Committee Action

At the April 5, 2016, meeting of the Human Resources Committee, Director Hernandez requested a future agenda item discussing the history and philosophy behind having a hotline which allows individuals to make complaints and report violations of law and OCFA policies anonymously.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

In November 2007, at the suggestion of Director Joe Brown (Laguna Niguel), the Budget and Finance Committee directed staff to research the implementation of an anonymous internal hotline at the OCFA. At the time of Director Brown's suggestion, there had been several high-profile cases reported in the media regarding fraud in both private industry and government agencies. Some of these cases came to light as a result of anonymous complaints from internal employees. Staff completed research and reported back to the Committee in January 2008 confirming that the establishment of an internal hotline with anonymous reporting capability was considered a Best Practice by the Government Finance Officers Association, the Association of Certified Fraud Examiners, and the OCFA's financial auditor (Attachment 1). A key element of the research indicated the following:

An organization must be able to assure its employees of confidentiality and "whistle-blower protection." For this reason, a fraud hotline must provide a mechanism for anonymous reporting.

Following the discussion of staff's research, the Committee directed staff to:

- Request vendor information for external hosting of a fraud hotline
- Prepare a Request for Proposals for fraud hotline services, and
- Return to the Committee for review and approval

In September 2008, the Budget and Finance Committee approved the selection of Ethics Point as the service provider to implement a new Internal Fraud Hotline Program. Significant time thereafter went into refining the details for implementation, including categories that would be enabled for complaint reporting, routing of complaints within OCFA, reporting/investigation structure, collaboration with labor, etc.

Due to the extensive implementation efforts, it was not until December 2011 that the OCFA's internal Hotline went live for employees to report concerns that they believed should be investigated. Implementation included the option, per direction from the Budget and Finance Committee, for employees to remain anonymous when submitting their reports, if desired.

The implementation plan that was created with the Hotline required OCFA staff to provide an annual report each year, summarizing the number of reports filed and status or disposition of cases. In addition, the implementation plan required staff to report to the full Board of Directors regarding certain individual Hotline cases, as necessary, based on the nature of findings that may result from the investigation.

Although the hotline is sometime referred to as a "fraud hotline," in practice the system has received reports not only of fraud but also other types of alleged employee misconduct or alleged waste. Each is investigated, occasionally at significant expense to the Authority. Some of the anonymous allegations have proven to have merit and some have not.

Benefits in Encouraging and/or Allowing Anonymous Complaints

Ideally, we would like our employees to bring their concerns to their direct manager, or other OCFA manager, when feasible. However, when the situation is such that the employee is not comfortable doing that, anonymity can be beneficial. Although the anonymity may be considered an inconvenience when trying to investigate the complaint, and although an anonymous system itself can be abused with false or misleading reports, it was deemed more important to create a safe environment for employees to make reports without any fear of reprisal.

While allowing for anonymous complaints carries with it certain costs of investigation and risks of false reports, maintaining such a system enables the OCFA to investigate and correct meritorious problems itself and at the local level. In the absence of such an internal system, anonymous allegations may instead be reported to County, State, or Federal oversight and law enforcement agencies that have the ability and authority to investigate anonymous claims concerning OCFA before OCFA has the opportunity to investigate and correct such problems itself.

Attachment(s)

January 9, 2008, Budget and Finance Staff Report - Approval of Fraud Hotline Program

DISCUSSION CALENDAR - AGENDA ITEM NO. 8
BUDGET AND FINANCE COMMITTEE MEETING
January 9, 2008

TO: Budget and Finance Committee, Orange County Fire Authority

FROM: Lori Zeller, Assistant Chief
Business Services Department

SUBJECT: **Approval of Fraud Hotline Program**

Summary:

This agenda item is submitted for discussion and approval of a fraud hotline program.

Recommended Action:

Direct staff to:

- Issue a Request for Proposal (RFP) for fraud hotline services; and
- Report back to the Committee with a proposed implementation plan.

Background:

At its meeting on November 7, 2007, the Budget and Finance Committee directed staff to research the implementation of a fraud hotline at the OCFA. Staffs' research is described in detail below and included a review of best industry practices recommended by the Government Finance Officers Association, the OCFA's financial auditor, the Association of Certified Fraud Examiners, and other local government agencies.

Recommended Practices in Response to New Auditing Standards

In 2006, the American Institute of Certified Public Accountants (AICPA) issued ten new Statements of Auditing Standards (SAS), which address the standards auditors must follow while conducting audits of financial statements. The primary objective of the new standards is to focus the attention of the auditors and management on the internal controls regarding financial statement reporting. One of the new standards that became effective in Fiscal Year 2006-07 was SAS No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. That standard emphasizes the need for a financial reporting system designed to detect material fraud or abuse, questionable accounting practices, and anything else that might jeopardize the integrity of the financial reporting process.

In response to SAS No. 112, the Government Finance Officers Association (GFOA) issued a new recommended practice on October 19, 2007, *Encouraging and Facilitating the Reporting of Fraud and Questionable Accounting and Auditing Practices*. The GFOA recommends that every government should, at a minimum, do all of the following:

- Formally approve and distribute an ethics policy to serve as a basis for identifying fraud.
- Establish practical mechanisms (e.g., hotline) to permit the *confidential, anonymous reporting* of concerns about fraud to the appropriate responsible parties.

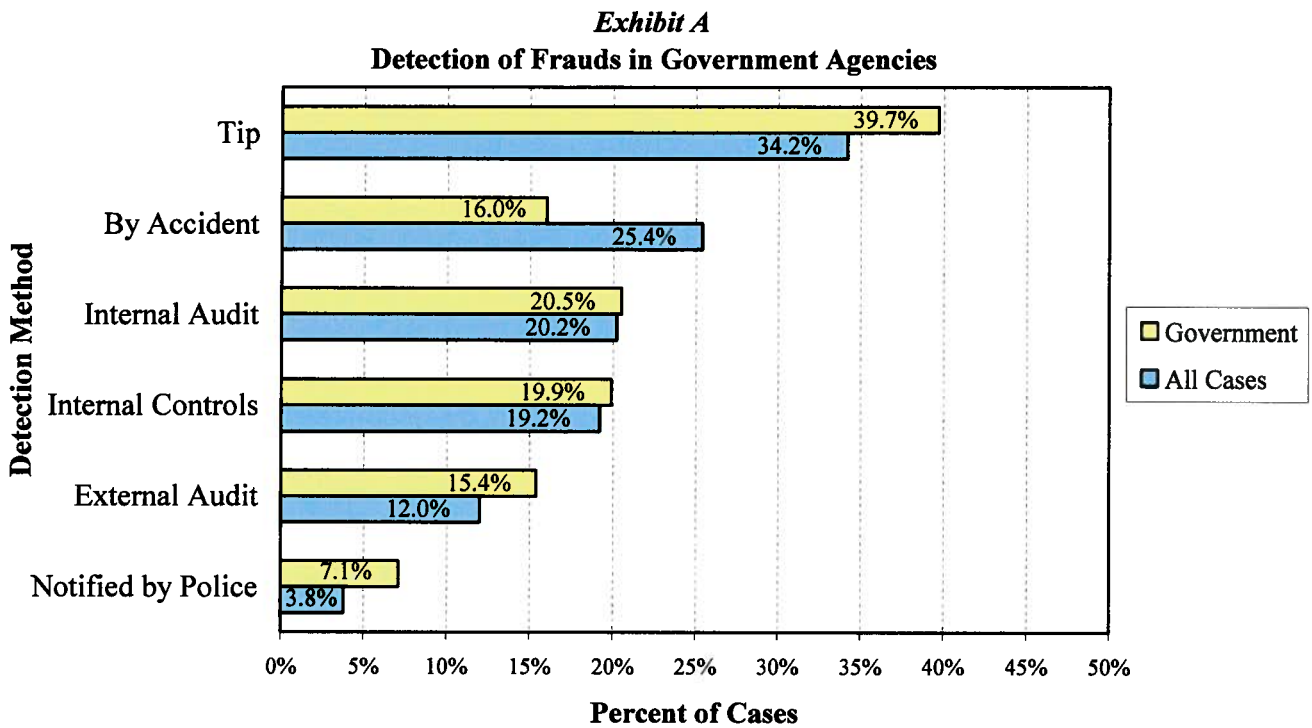
- Consider engaging the services of an outside vendor to receive tips from both employees and the public in order to minimize costs associated with separate reporting mechanisms.
- Train employees who have direct contact with the general public to recognize calls that are reporting fraud and direct them to the appropriate personnel.
- Require that the internal auditor (or equivalent) document the disposition of each complaint for review by the audit committee.

The OCFA's current financial auditor, Mayer Hoffman McCann P.C. (MHM), also recommends the use of fraud hotlines as a best practice and recognizes that their use is being emphasized in light of the new risk assessment standards. MHM will generally not report the lack of a fraud hotline as a "significant deficiency" if the government has implemented other adequate anti-fraud controls. However, MHM still highly recommends the use of a fraud hotline if it serves to *enhance* a strong, effective system of internal control that is monitored by management on an ongoing basis.

Common Methods for Detecting Fraud

In its *2006 Report to the Nation*, the Association of Certified Fraud Examiners (ACFE) compiled data from the 1,134 cases of occupational fraud that were investigated between January 2004 and January 2006. Some highlights from that report describing fraud detection methods are as follows:

- The data supports the use of hotlines as a fraud detection tool since occupational fraud is more likely to be detected by a tip than by any other means. In addition, tips are also the most common means of detecting large-dollar fraud schemes and fraud conducted by executive management employees, which are often the most highly publicized and costly types of fraud. *Exhibit A* below illustrates the methods for detecting fraud in government agencies as compared to all industries.
- Certain anti-fraud controls can reduce the financial impact of an organization's exposure to fraud. For example, the median loss per instance of fraud was reduced for those organizations that implemented fraud hotlines, maintained an internal audit department, conducted surprise audits and/or provided anti-fraud training for employees and managers.
- An anonymous fraud hotline is just one means of obtaining tips from employees and the public. An effective reporting structure might also include:
 - Educating employees on how to recognize and report illegal conduct;
 - Emphasizing that fraud will not be tolerated in the organization; and
 - Promoting open communication among and between employees and management.



Survey of Other Local Government Agencies

Staff conducted a survey of other California government agencies in an effort to identify the fraud hotline practices among the OCFA’s peers. The survey was submitted to agencies that are members of the California Society of Municipal Finance Officers (CSMFO) or the California Municipal Treasurers Association (CMTA). Based on the responses received, most local government agencies do not currently utilize fraud hotlines and the concept is somewhat new in the government sector. However, interest in its use is growing, as evidenced by recent implementation in some of the larger local government agencies. Highlights of the survey results include the following:

- Five (12.2%) of the forty-one responding government agencies utilize a fraud hotline.
 - The five agencies with fraud hotlines are the City/County of San Francisco, the Port of San Diego and the cities of Corona, Riverside, and Stanton. With the exception of the City of Stanton, these agencies are significantly larger than the other responding agencies, reporting an average of 6,254 full and part-time employees. Those without fraud hotlines average only 402 full and part-time employees.
 - All five fraud hotlines have been operational for three years or less.
 - All five fraud hotlines are managed internally either by the Internal Auditor, the Human Resources Department, Executive Management, or the Controller. However, some others commented that the use of a third-party vendor could create greater real or perceived independence and, thus, maximize the effectiveness of a hotline.
 - All five agencies recommend establishing a fraud hotline.

- Thirty-six (87.8%) of the responding government agencies do not have fraud hotlines.
 - Six (16.7%) have considered but not implemented a fraud hotline in the past, preferring instead to rely on the current system of internal controls within the agency in order to detect and prevent fraud. Thirty (83.3%) have never heard of or considered implementing a fraud hotline.
 - Ten (27.8%) identified lack of funding and/or available staffing as the primary reason for why a fraud hotline has not been established. Twenty-three (63.9%) indicated that establishing a fraud hotline was not currently a strategic priority for the agency.
 - Two agencies (5.6%) are in the process of inquiring about or establishing a fraud hotline.

Fraud Hotline Considerations

Staff has identified and considered the following issues pertaining to the use of fraud hotlines:

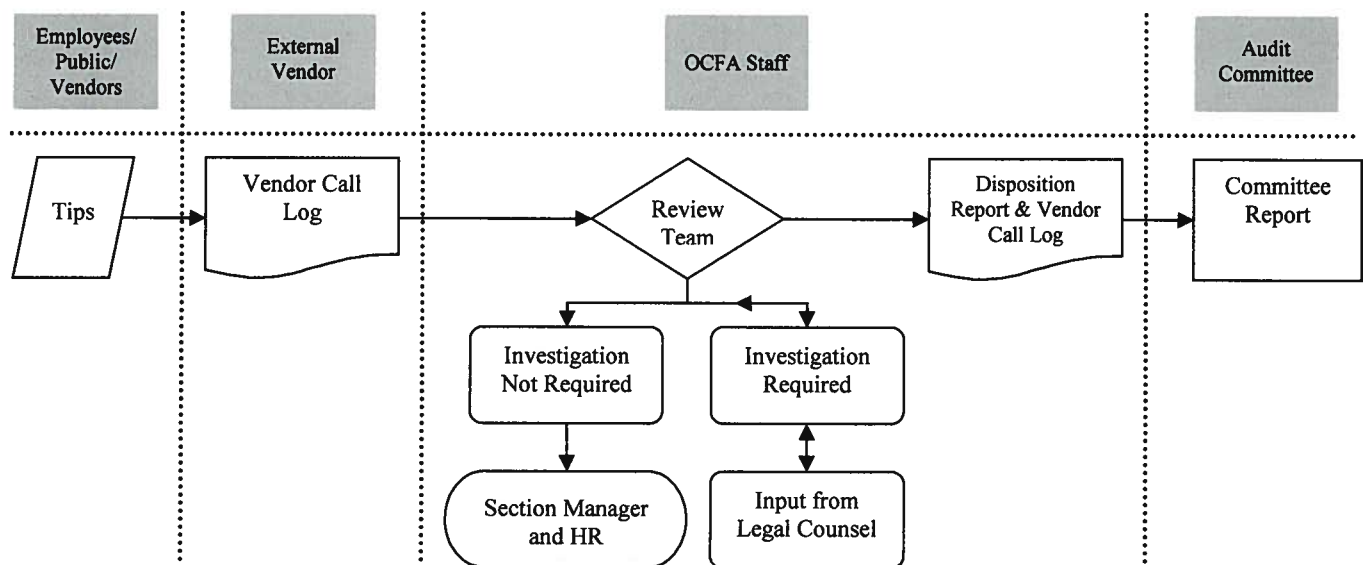
- Fraud hotlines might initially be used by employees to complain about personnel issues (e.g., time and attendance issues of co-workers, union issues, etc.), rather than provide legitimate tips for uncovering instances of fraud in the organization. However, with proper communication and training, staff believes that these types of calls can be minimized and/or routed to the appropriate personnel for resolution.
- There is a financial cost associated with establishing and maintaining a fraud hotline, whether it is managed by internal staff, an external vendor, or a combination of both. In addition, there may be additional legal costs incurred by the organization as tips are reviewed and investigated. An organization should consider whether the benefits gained from a fraud hotline equal or exceed the related costs.
- A fraud hotline should be just one component of a larger framework designed to prevent and detect fraud within an organization. Other crucial components include developing and monitoring a sound system of internal controls and communicating an organization-wide policy of “zero tolerance” toward fraud.
- An organization must be able to assure its employees of confidentiality and “whistle-blower protection.” For this reason, a fraud hotline must provide a mechanism for anonymous reporting.

Proposed Conceptual Design of an OCFA Fraud Hotline Program

The OCFA has historically made an effort to follow the recommended practices established by the GFOA. In addition, fraud hotlines are currently recommended as a best practice by the OCFA’s financial auditor and other local agencies of a similar size to the OCFA. Based on these factors, staff recommends that the OCFA develop a fraud hotline with the reporting structure similar to the one described below and summarized in *Exhibit B*. Staff recommends re-evaluating the program after one year in order to determine its effectiveness and whether or not it should continue as a permanent program of the OCFA.

- To maintain the integrity of the hotline, staff recommends issuing an RFP and contracting with an external vendor to receive and compile tips from employees, vendors, and the public.
- In conjunction with the vendor, staff recommends developing an outreach program for informing employees, vendors, and the public about the existence of the fraud hotline and educating them about its intended use.
- Staff further recommends establishing an OCFA Review Committee to review the vendor’s call log and determine which items warrant further investigation.
 - The Review Committee would consist of senior OCFA management, including the Finance Manager/Auditor and the Human Resources Manager.
 - The Review Committee would forward any tips not warranting a fraud investigation (e.g., time and attendance complaints, personnel issues, etc.) to Human Resources and the appropriate Section Manager for resolution.
 - The Review Committee would obtain advice from legal counsel as needed before proceeding with any formal investigation of alleged fraud.
 - A quarterly report summarizing the disposition of all items on the vendor call log would be submitted by the Review Committee to the Budget and Finance Committee for review.

Exhibit B
 Fraud Hotline Conceptual Design



Impact to Cities/County:

Not applicable

Fiscal Impact:

Staff will return to the Committee with a fiscal impact after a vendor has been selected.

Staff Contact for Further Information:

Jim Ruane, Finance Manager/Auditor

Finance Division

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(714) 573-6304



Orange County Fire Authority
AGENDA STAFF REPORT

Human Resources Committee Meeting
May 3, 2016

Agenda Item No. 4B
Discussion Calendar

**Coverage of Volunteers under the OCFA Self-Insured Workers'
Compensation Program**

Contact(s) for Further Information

Brian Young, Assistant Chief brianyoung@ocfa.org 714.573.6014
Organizational Planning Department

Jonathan Wilby, Risk Manager jonathanwilby@ocfa.org 714.573.6832
Human Resources Department

Summary

This item is submitted to rescind Resolution No. 2012-08 and adopt the proposed Resolution to provide workers' compensation coverage for volunteers under the Orange County Fire Authority's (OCFA's) self-insured and excess workers' compensation program.

Prior Board/Committee Action

The Board adopted Resolution No. 95-2A in 1995 that covered volunteers under the OCFA's workers' compensation program. On September 27, 2012, the Board rescinded Resolution No. 95-2A and adopted Resolution No. 2012-08 to provide volunteers medical insurance coverage under a separate policy.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Director's meeting of May 26, 2016, with the Human Resources Committee's recommendation that the Board:

1. Rescind Resolution No. 2012-08 in its entirety.
2. Adopt the proposed Resolution entitled: A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE INCLUSION OF VOLUNTEERS WITHIN ITS WORKERS' COMPENSATION INSURANCE PROGRAM to provide workers' compensation coverage to volunteers under the OCFA's self-insured and excess workers' compensation program.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

The OCFA uses community volunteers who perform non-operational or non-emergency roles in the Fire Corps Volunteer Program. Additionally, current safety employees volunteer their time as Post Advisors under the Fire Explorer Program. The Fire Explorer Program is through the Boy Scouts of America Learning for Life and gives young people valuable insight into the firefighting profession that allows them to decide whether or not to pursue a greater role in the fire service.

Labor Code 3363.5 allows public employers to choose to extend workers' compensation coverage to volunteers that perform services for the organization through adoption of a resolution by the governing body of the agency. Following the establishment of the OCFA in 1995, Resolution No. 95-2A was adopted that included volunteers under the workers' compensation and excess insurance program.

On September 27, 2012, the Board approved rescinding Resolution No. 95-2A and adopted Resolution No. 2012-08 that provided medical coverage to volunteers through a separate medical insurance policy. The recommendation was brought to the Board because a medical insurance policy is low cost and could transfer the potentially expensive associated costs for medical treatment to an insurance carrier and not impact the workers' compensation cost.

The recommendation is true, on the surface, but exposes the OCFA to a significant amount of additional liability. Workers' compensation is a no-fault system, and with few exceptions, the exclusive remedy for injuries and illnesses suffered while working. If volunteers are covered, they will be entitled to the same benefits as any paid staff. Workers' compensation benefits are finite and limited to medical, disability, and retraining costs associated with a specific impairment. If volunteers are excluded from workers' compensation coverage, they can seek remedy in the civil court system. The court may award compensation for pain and suffering plus other damages. While the volunteer must prove fault, the civil awards are often much higher than the corresponding workers' compensation benefits.

An unintended consequence of not covering volunteers under the workers' compensation program is that current employees volunteering as Fire Corp Post Advisors are concerned about being injured and the limited benefits under the medical insurance policy. The benefits currently provided would impact their ability to provide for their families and may cause some of them to resign from volunteering in this valuable program.

Attachment(s)

Proposed Resolution

RESOLUTION NO. 2016-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS AUTHORIZING THE INCLUSION OF
VOLUNTEERS WITHIN ITS WORKERS' COMPENSATION
INSURANCE PROGRAM**

RECITALS

WHEREAS, the Orange County Fire Authority Board of Directors adopted in 2012 Resolution No. 2012-08 to replace the existing workers' compensation insurance coverage for volunteers with a work related insurance policy for volunteers; and

WHEREAS, the Orange County Fire Authority has self-insured for workers' compensation purposes; and

WHEREAS, Labor Code Section 3363.5 provides that in addition to and notwithstanding other Labor Code sections, the Orange County Fire Authority by Resolution may declare that unpaid volunteers, as defined in Labor Code Section 3363.5, are deemed to be employees of the Orange County Fire Authority for workers' compensation purposes.

NOW THEREFORE BE IT RESOLVED, that the Orange County Fire Authority Board of Directors of the does hereby resolve as follows:

1. Resolution No. 2012-08 is rescinded in its entirety.
2. A person who performs voluntary service without pay for the Orange County Fire Authority (as designated and authorized by OCFA) hereby is deemed to be an Orange County Fire Authority employee for workers' compensation set out in Labor Code Section 3363.5.

PASSED, APPROVED and ADOPTED this ____th day of _____ 2016.

GENE HERNANDEZ, CHAIR
OCFA Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority